OMCs have been directed to take urgent steps to ensure adequate supply and availability of Diesel and Petrol at the Retail Outlets (ROs) across the country. OMCs have also been directed to take all necessary steps to build sufficient stocks of petroleum products at different locations in the country to take care of any unforeseen contingency including any temporary disruption in the movement of petroleum products.

OMCs have reported that they ensure the availability of petrol and diesel in the country at all times and are supplying petrol and diesel to the ROs as per indents. OMCs have also reported that they have not restricted/curtailed supply of petrol and diesel to their ROs any where in the country.

(d) Steps taken to improve domestic availability of products to meet demand include augmentation of production at existing refineries through expansion programmes and setting residue up gradation facilities and setting up of new grass-root refineries.

Windfall profit tax on oil companies

1656. SHRI D. RAJA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that private Oil Companies in the country are making more, profit as global crude oil price increases;

(b) if so, the details thereof;

(c) whether Government is considering a proposal to make them share a part of the huge subsidy burden of the public sector oil companies and Government would impose a windfall profit tax on the private oil companies in the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) Out of the two private sector refining companies, namely, Reliance Industries Limited (RIL) and Essar Oil Limited (EOL), the RIL has posted profits (before interest & taxes) for its refining segment, amounting to Rs.7722.59 crore and Rs. 10372.76 crore during 2006-07 and 2007-08 respectively. EOL has posted losses (before tax) amounting to Rs.54.55 crore and Rs.44.09 crore during 2006-07 and 2007-08 respectively.

(c) and (d) At present, no such proposals are under consideration.

Award of gas contract to GSPCL

1657. SHRI VIJAYKUMAR RUPANI: Will the Minister of PETROLEUM AND NATURAL GAS be please refer to the reply of Unstarred Question 176 given in Rajya Sabha on 11th March, 2008 and state:

(a) the reasons for inviting bids, when as per Production Sharing Contract (PSC) signed by the Government with PMT JV, GAIL was Government nominee for lifting of natural gas;

(b) the reasons for not offering gas to the Gujarat State Petroleum Corporation Ltd., (GSPCL) though the bid of GSPCL was highest amongst the bidders;

(c) whether State Government of Gujarat has represented to the Central Government to follow the rules of tender procedure in offering as to GSPCL; and

(d) if so, the action taken by the Central Government on the representation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) to (d) As per Production Sharing Contract (PSC) signed by the Government with Panna Mukta and Tapti (PMT) JV, the Government nominee for purchasing of natural gas is GAIL. However, in view of lack of consensus on gas price between GAIL and PMT JV, the Government had allowed JV partners to market a part quantity of gas directly, initially for a period of one year with effect from 1.4.2005 and subsequently for another two years. The Government also advised that the gas available in excess of 4.8 MMSCMD (direct marketing by PMT-JV) be allocated to GAIL for a period of 2 years beyond 31.3.2006 at the market price received by the JV through tendering process.

PMT JV invited bids from the prospective buyers including GAIL for sale of natural gas up to 4 MMSCMD for a period of two years from 1.4.2006. In response to JV's bid, Gujarat State Petroleum Corporation Ltd. (GSPCL), one of the bidders, offered the highest price of US $ 4.75/MMBTU for 4 MMSCMD of natural gas.

However, to take care of the existing priority consumers in power and fertilizer sectors, GAIL continued to get major portion of the gas at US$ 3.86/MMBTU (from 1.04.2005-31.03.2006) & at US$ 4.75/MMBTU (from 1.04.2006-31.03.2008) from PMT JV, while remaining gas was supplied by PMT JV in accordance with the bids received from the Companies during this period.

Consequent to the Government advise that the gas available in excess of 4.8 MMSCMD (direct marketing by PMT-JV) be allocated to GAIL for a period of 2 years beyond 31.3.2006 at the market price received by the JV through tendering process and due to non availability of any surplus quantity, the gas could not be offered to GSPCL.

Presently the JV has been supplying the entire gas to the Government nominee, GAIL *w.e.f* 01.04.2008 as per the formula provided in the PSC.

Tax burden on petroleum products

1658. SHRI TAPAN KUMAR SEN :

SHRI PRASANTA CHATTERJEE :

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government would agree to reduce the tax burden on petroleum products; and

(b) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) The Government has made the following reductions in the taxes/duties with effect from 5.6.2008:

(i) Customs Duty on crude oil from 5% to Nil

(ii) Customs Duty on Petrol and Diesel from 7.5% to 2.5%.

(iii) Excise Duty on unbranded Petrol and unbranded Diesel by Re. 1/- per litre with effect from 5 6.2008.